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- The Authority consists of nine members: five appointed by the Governor, two appointed by the Senate Rules Committee, and two by the Speaker of the Assembly. The members are:**
- **Michael E. Tennenbaum, Chair (Los Angeles):** Appointed by Governor Pete Wilson. Mr. Tennenbaum is a managing member of Tennenbaum and Company, a private investment firm. He previously was a director and vice chairman, investment banking, at Bear Stearns & Co., Incorporated. He also was a member of the Intercity High-Speed Rail Commission.
 - **Edward P. Graveline, Vice Chair (Fresno):** Appointed by Governor Pete Wilson. Mr. Graveline is the business administrator for Valley Christian Center, one of the Central Valley's largest congregations and Christian enterprises. He also is chair of the Fresno County Railroad Committee.
 - **Dr. Ernest A. Bates (San Francisco):** Appointed by the California Senate Rules Committee. Dr. Bates is founder and Chief Executive Officer of American Shared Hospital Services, which leases advanced surgical technology and machines to hospitals. Dr. Bates is a board certified neurological surgeon.
 - **Jerry B. Epstein (Los Angeles):** Appointed by Governor Pete Wilson. Mr. Epstein is general partner of Del Rey Shores and Marina Pacific Associates. A real estate developer, Mr. Epstein also has served on the California Transportation Commission and the Los Angeles Board of Airports.
 - **Dean Florez (Bakersfield):** Appointed by the Speaker of the Assembly. Mr. Florez is vice president at the investment banking firm of E.J. De La Rosa Company and president of Option Consulting Group, Inc., an economic development corporation. Mr. Florez specializes in the design and utilization of public finance programs.

- **John P. Fowler (San Diego):** Appointed by Governor Pete Wilson. Mr. Fowler is a principal consultant for Rick Engineering Company. A registered civil engineer, Mr. Fowler also has worked for the City and County of Los Angeles and the City of San Diego, where he served as the assistant city manager.
- **William E. Leonard (San Bernardino):** Appointed by Governor Pete Wilson. Mr. Leonard owns Leonard Realty and Building Company, which develops, builds and manages private and public facilities. He has served on the California Transportation Commission and its predecessor, the State Highway Commission. He also is a founding member of Inland Action, Inc., a business development organization serving San Bernardino and Riverside counties.
- **T.J. (Tom) Stapleton (Petaluma):** Appointed by the Speaker of the Assembly. Mr. Stapleton is general vice president of the International Union of Operating Engineers of America and Canada. He also is a member of Operating Engineers Local 3, the largest construction union in the United States, where he served as business manager for 14 years and was trustee of one of the largest trusts in California. Mr. Stapleton also served as co-chair of the Proposition 108 and 111 committees, which funded rail and road construction bonds in the early 1990's.
- **Mehdi Morshed, Executive Director:** Prior to joining the Authority as executive director, Mr. Morshed was senior consultant to the California Senate Transportation Committee, a position he held for 21 years. Mr. Morshed also was a member of both the Authority and its predecessor, the Intercity High-Speed Rail Commission.
- **Vacancy:** To be appointed by the California Senate Rules Committee.

California High-Speed Rail Authority
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KEY TAKEAWAYS

CALIFORNIA HIGH-SPEED TRAIN UPDATE

DECEMBER/JANUARY 1999

INTERCITY HIGH-SPEED RAIL COMMISSION COMPLETES FINAL REPORT

The California Intercity High-Speed Rail Commission completed its investigation of the feasibility of high-speed rail (HSR) for California at the end of 1996, when it submitted its Final Summary Report to the Governor and the Legislature.

The Commission determined that HSR is technically, environmentally, and economically feasible once constructed and would be operationally self-sufficient. Furthermore, the Commission determined that HSR would positively impact the State's economy, enhance California's competitiveness in a global market, and receive widespread support from the people of California.

The Commission recommended a statewide HSR network 676 miles long. Serving over 90 percent of the state's population, the system would link Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles and San Diego. The system would be electrified, double-tracked, completely grade-separated, with operating speeds exceeding 200 mph. The construction of the HSR network would be a public works program on the scale of the State Water Project or the creation of the state's freeway system.

Now that the feasibility of HSR has been determined, California must secure financing to implement the system. The Commission's financial projections showed that farebox and other revenue would not be sufficient to finance the HSR system's

construction costs. A voter-approved public funding source would be needed to provide a stable base for project construction. Although the projected operating surpluses are not large enough to achieve a system financed by private sources, private partners are expected to contribute to the financing structure, and the Commission recommended a design-build or design-build-operate contracting relationship with private sector entities.

Implementing the HSR network in California is the responsibility of the California High-Speed Rail Authority (Authority) created by Senate Bill 1420 (Kopp/Costa) in 1996, and signed by Governor Pete Wilson in September 1996.

THE CALIFORNIA HIGH-SPEED RAIL AUTHORITY BEGINS WORK

The Authority's mandate is to direct the development and implementation of intercity high-speed train service that is fully coordinated with other modes of transportation and public transportation services. The Authority is required to prepare a plan for the construction and operation of a high-speed train network for the state capable of achieving operating speeds of at least 200 mph that is consistent with, and continuing the work of,

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PROGRESSING TOWARD HIGH-SPEED RAIL IMPLEMENTATION

Although the feasibility of HSR in California has been determined, a significant amount of work remains to be done prior to bringing the issue before the voters. The Authority has retained several private consulting teams to prepare a "business plan" to be completed by the end of 1999.

The resources to fund the preparation of the business plan come from three sources. The Authority has an appropriation in the current fiscal year of \$3 million. In addition, the Federal Railroad Administration (FRA) has awarded a \$100,000 grant to the Authority for additional technical studies of the Los Angeles to San Diego corridor. The Authority also has more than \$500,000 in remaining Proposition 116 funds at its disposal.

In progressing toward the business plan, the Authority has undertaken the following efforts:

A Comprehensive Statewide Rail Plan: This plan will help determine how HSR will integrate with conventional intercity rail services. It will define what conventional service improvements are needed and which should receive priority.

Updating Ridership Forecasts: The base year data for the Commission's "investment grade" ridership and revenue forecasts will be six years old in the year 2000. The Authority's financial plan will require forecasts that reflect and use the most recent economic and demographic data and forecasts available. Furthermore, additional forecasts will be run to answer remaining questions regarding route, operations, and policy issues.

Additional Corridor Evaluation: Further alignment investigations and evaluations are necessary in several areas, and unit costs and other assumptions must be reviewed and updated.

A Detailed Financing Plan: A detailed study of the financing, institutional and procurement issues, as well as economic impacts of a statewide HSR network.

Public Outreach: An extensive outreach program focused on informing the public about HSR and its costs and benefits. The program also seeks the input and participation of the public in developing the business plan.

A draft business plan incorporating findings from each of these studies will be completed by late 1999, and the final business plan will be submitted to the Governor and the Legislature. Findings from the consulting studies will be presented at the Authority's monthly meetings.

HIGH-SPEED RAIL AUTHORITY MEETING SCHEDULE

January 20	Sacramento
February 17	Los Angeles
March 17	San Jose
April 21	San Diego
May 19	San Francisco
June 16	Los Angeles
July 21	San Francisco
August 18	Santa Ana
September 15	Fresno
October 20	Los Angeles
November 17	San Jose
December 15	Riverside